

U.S. DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT

Rental Housing Surveys

A Guide to Assist Smaller Public Housing Agencies in Preparing Fair Market Rent Comments

NOTE: *This guide is intended for relatively small Public Housing Agencies. Larger PHAs usually will find it advantageous to use the more formal methods detailed in a companion publication, Random Digit Dialing Surveys: A Guide to Assist Large Public Housing Agencies in Preparing FMR Comments. The smallest PHAs should at least examine this guide for suggestions on conducting statistically valid surveys.*

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Introduction

The U.S. Department of Housing and Urban Development (HUD) encourages Public Housing Agencies (PHAs) to use the random digit dialing survey technique if they intend to submit comments regarding proposed Fair Market Rents (FMRs). Small PHAs, however, may not be able to afford a full-scale random digit dialing survey, as they cost from \$10,000 to \$12,000. For these PHAs, this guide provides specific advice and guidelines about the format and contents of an alternative submission.

This guide is intended to help the directors of small PHAs choose the best, most cost-effective means of surveying the rental housing stock in their market areas. Of the options presented in this guide, the simplified list-assisted telephone survey method offers the least costly means of obtaining valid FMR estimates for public housing agencies that manage under about 500 Section 8 units, in FMR areas with under 5,000 rental units. However, even the smallest PHAs might wish to review this guide for its suggestions on how to conduct surveys. It describes survey options and provides specific advice and guidelines for conducting valid surveys and submitting comments that will meet HUD's statistical requirements. This guide covers all the steps in preparing the comments:

- Deciding whether to conduct a survey and submit a comment.
- Developing a list of all types of rental units from which to select households to interview.
- Deciding how many households must be interviewed to meet HUD standards.
- Choosing an effective, reliable way to randomly select the correct number of households to be interviewed.
- Deciding whether to interview renters by telephone, by mail, or in person.
- Processing the data and computing the 40th percentile.
- Verifying that the survey's results represent the rental housing stock of the entire FMR area.

- Preparing and packaging the comment for HUD.

This guide describes two alternatives that are less expensive than a full-scale random digit dialing (RDD) telephone survey. One is a simplified telephone survey. The other involves collecting data from renters by mail or by going door to door, interviewing tenants in person. Both emphasize the importance of obtaining a sample that is statistically representative of rental housing units in an entire FMR area—high and low rent, houses and apartments, and urban and rural. HUD will not accept survey results that do not meet this requirement.

Alternative 1: List-Assisted Telephone Surveys. The first, and preferred, alternative is commonly called a list-assisted telephone survey. This approach is less precise than full-scale RDD surveys but is less complicated and is specifically designed for smaller PHAs that cannot afford RDD surveys. If correctly done, list-assisted telephone surveys will yield results that are based on statistically valid samples and therefore are likely to be acceptable to HUD.

Alternative 2: Mail and In-Person (Traditional) Surveys. The second method uses other means of obtaining a representative sample of rental residences. The data are collected through the mail or from interviews conducted with renters in person, rather than by telephone. Mail surveys cost less to implement than full-scale RDD telephone surveys but cost about as much as list-assisted telephone surveys. The cost of collecting the same data by conducting interviews in person, however, is more difficult to predict and depends to a large extent on the geographic distribution of eligible rental units in a particular market.

These methods are basically intended for smaller PHAs, from whom we are willing to accept lower standards of survey precision than from larger PHAs. While larger PHAs may use these simplified methods, they are likely to find that full-scale RDD surveys are more cost-effective and result in greater standards of precision that are, consequently, more likely to be acceptable to HUD. Regardless of the method used, HUD will subject your results to certain statistical checks, and will make the final decision about whether to use them.

As stated in the *Federal Register's* Notices of Proposed Fair Market Rents, the survey data needed to comment on a proposed FMR must "include sufficient information (including local data and a full description of the methodology used) to justify any proposed changes." The submission must:

- Satisfactorily document that the findings are based on a *statistically representative sample* of rental households in a particular FMR area.
- Clearly indicate the 40th-percentile, two-bedroom equivalent gross rent (percentile estimates for other bedroom sizes may also be submitted). The gross rent for a unit is defined as the contract rent plus the cost of all tenant-paid utilities, except telephones. Average monthly utility costs are calculated using the most recently approved Section 8 utility allowance schedule to determine the utility costs that should be added to each surveyed unit.
- Exclude data for units in public housing projects, housing built in the last 2 years, seasonal units, and units where the full market rent is not known.

What Is a "Statistically Representative" Survey?

A statistically representative survey does not necessarily mean a large one. A relatively small, properly conducted survey may be more representative of an FMR area than a large, poorly designed one. A statistically representative survey has the following characteristics:

- The sample is drawn from a list that includes *all types* of rental units in an FMR area. The list must include apartments and single-family structures; old and (most) new buildings; urban and rural housing units; and, most importantly, low-rent units along with medium- and high-rent units.
- The survey is sampled from this list randomly—that is, the sample must be selected scientifically, using one of the simple but effective methods described in Section 4. Nonscientific sampling methods, such as choosing units in a certain neighborhood, or households whose characteristics are likely to make them cooperate with the survey, inevitably lead to inaccurate results.
- The survey is administered so as not to bias the answers, or "lead" the respondents. The questions asked and the publicity surrounding the survey must not influence respondents' answers or encourage responses from specific groups of renters.
- The survey adequately follows up nonrespondents. It is not acceptable to drop a nonrespondent without trying numerous times to get a response. Interviewers must try to

contact each randomly selected household at least four times before dropping it from the survey. The survey must avoid ending up with an overabundance of "easy" responses; it is easier to contact and interview retired, elderly, or unemployed tenants because they are likely to be home more often than other people. However, their rents may differ greatly from those paid by younger, employed tenants.

Costs

All FMR comments that can be used by HUD involve costs. Hiring a contractor to conduct a formal RDD of a nonmetropolitan area would cost from \$10,000 to \$12,000. The simplified list-assisted telephone survey that is recommended has an estimated cost of about \$5,000 to \$7,000, including the cost of purchasing a list of telephone numbers. This assumes that the PHA will conduct the survey; outside contractors are likely to charge somewhat more. Out-of-pocket costs would be about 40 percent of the total; the remainder would be costs for PHA staff. In addition, if the PHA believes that the survey must be based on recent movers, its costs will be about 30 percent higher.

A "traditional" survey conducted with existing staff involves costs associated with considerable staff time in the sampling and surveying phases, as well as out-of-pocket expenses for postage, telephone calls, and data processing. HUD warns that traditional surveys are not likely to be cheaper than list-assisted surveys and are much more likely to produce unacceptably biased results.

1. Deciding Whether to Comment

HUD uses the best nationwide data available in computing FMRs. The largest and best sample is the decennial Census, which asks fully one-sixth of U.S. households detailed questions about their housing expenses and characteristics. The Census sample is carefully drawn, response rates are very high, and the data carefully edited. The FMRs are based on special tabulations created by the Census Bureau for HUD that are more detailed than anything available in published form. (Tabulations from this file are available from HUD field office economists.) The FY 1994 FMRs were the first to be based on the 1990 Census. Post-1990 updates of Census results are based on data from the American Housing Survey, Consumer Price Index Survey (where available, mostly in larger FMR areas), or formal RDD telephone surveys, which include a set of 20 separate annual RDDs for the metropolitan and nonmetropolitan parts of the 10 HUD regions, and RDD surveys of selected individual areas. In addition, FMRs are now computed for each nonmetropolitan county, rather than for groups of counties.

Until the next Census rebenchmarking, the principal reasons for inaccuracies in the proposed FMRs are unusual occurrences in an area's rental market that are not reflected in the regional updating factors. Significant changes in local rental markets not detected by HUD can occur from year to year and result in discrepancies between proposed FMRs and actual local rents. Such changes might include:

- Relocation of a major employer into the area.
- Major changes in the size or quality of the rental housing stock in the area.
- Major changes in the size and composition of the renter population, such as those caused by a sudden influx of wealthy retirees.

Before going to the trouble and expense of submitting a formal comment, you should be reasonably convinced that either the baseline (1990) data or HUD's post-1990 updates are wrong and that enough Section 8 units are involved to justify the survey.

2. Listing the Sample Universe

Your survey must represent the entire rental market in your FMR area. More comments are rejected because of sampling defects than all other problems. If the list from which you drew a sample is biased or incomplete, the survey will also be biased, *no matter how large a sample you used or how carefully you drew it.*

A usable sample must represent all rental units, regardless of the size of the project, the year they were built, their location within the FMR area, or their rent levels. The only units to be excluded from the sample are those built within the last 2 years, those whose tenants receive Federal assistance or other forms of aid and who do not know the market rent, those owned by relatives, and seasonal units.

For example, an upward bias is likely to occur if rural units are ignored. In many markets a survey of large, multi-unit rental buildings is likely to be biased upward, no matter how large the sample is or how well the survey was conducted. Rented single-family homes, many of which are advertised informally rather than through established real-estate companies or in newspapers, are easy to miss. Because their rents tend to be relatively low many markets, a survey that undercounts them will be biased upward.

Finally, you may not ignore entire projects or neighborhoods because you do not think their rental units might meet HUD's quality standards or because you consider them too difficult to survey.

2.1.1. List Sources—List-Assisted Telephone Surveys

Random digit dialing telephone surveys have been used for many years. By dialing random phone numbers within a geographic area, you can draw a representative sample of your area's households. All rental households would be reached in this way, except for those that do not have telephones.

A relatively cheap way to obtain a random sample is to purchase randomly-generated phone number lists prepared by firms that specialize in this type of work. These are far more inclusive than published phone books. The random lists can be pre-screened so that: (1) each telephone number is in your FMR area; (2) each number has been randomly generated; (3) numbers known to be commercial have been eliminated; and (4) each number is assured to be in service. Although the phone numbers obtained from this list have been randomly selected from all (but mostly residential) numbers in use,

the final sampling process occurs during the interviewing phase, when you make phone calls to determine whether the numbers are those of eligible rental households.

The cost of purchasing such lists ranges from about \$200 to about \$700 for 1,500 phone numbers, usually sufficient for a 200-unit response. The more expensive lists generally use more sophisticated methods for detecting business and nonworking numbers. Not all of these methods work in all areas, however, and the contract language provided in Attachment 1 specifies that the prospective sample provider must check whether its automated screening methods will work in your area before charging for their use. Sample providers that we know of are listed in Attachment 1, along with suggested contract wording.

Apart from the work involved in drawing up a contract for a random list of telephone numbers there is no work to be done by the PHA at this stage. The list is likely to be ready for use within one week of selecting a supplier. Your workload will become heavy during the interviewing phase, when you must make many phone calls within a short time to determine eligibility for the survey and interview the relatively few households that are eligible.

2.1.2. Phone Book Samples Generally Not Acceptable

It is *not acceptable* to draw a sample from the phone book because many residents may not have their phone numbers listed. In most areas up to 30 percent of households do not have their phone numbers listed; in large metropolitan areas this proportion approaches 50 percent.¹

However, where professionally-supplied random number lists are too expensive, it may be possible to use a sample that starts with the local phone book. The process involves randomly choosing numbers from the White Pages, omitting those that are obviously for businesses, and phoning those numbers plus one or two numbers that are created by substituting a random digit for the last digit of the listed number. This "Plus-1 Sampling" method may be a viable alternative in areas where telephone systems do not give automatic dialing intercepts to indicate that phone number called are out of service. It does have several disadvantages, including involving the PHA in sample selection, which is somewhat technical, and may well not be any cheaper to use. PHAs interested in using this method must get HUD approval in advance.

¹ Research has shown that unlisted numbers tend to be those for the most mobile and lowest income households. Linda B. Piekarski, "Choosing Between Directory Listed and Random Digit Sampling in Light of New Demographic Findings," Fairfield, Connecticut: Survey Sampling, Inc., paper presented to the 1989 AAPOR Conference.

2.2. List Sources—Mail and In-Person Surveys

As noted earlier, the easiest way to obtain a fully representative sample throughout the FMR area may be with a telephone survey using a professionally compiled list of phone numbers. If this method is not used, HUD recommends that you consider the alternatives listed below. *However, you should keep in mind that many surveys based on only one or two of the following sources could not be used because they failed to represent the entire rent distribution.* Another problem may be that you will have to spend a lot of time eliminating duplicate addresses from your list.

A sample usually uses a *combination* of the following sources. Samples based on *only one* of these sources are likely to be rejected. The only exception might be tax assessment and utility records, which are discussed first:

Sources That Might Be Used Alone

- **Tax assessor's or landlord registration** records can be useful, as long as rental status is available for *all units*. In some areas, these records might provide a complete list of rental housing properties. But you should be aware of the following possible problems:
 1. Records of multi-unit projects can be tricky to use. The records must be checked carefully to ensure that all rental units within a multi-unit project have been listed. You must then expand the list so that *each* rental unit is listed separately before you draw the sample. For example, an apartment building with 10 rental units must be shown 10 times in your sample list. A tax assessor's list that does not reliably contain the number of rental units in each project is not usable, unless you can determine that information independently.
 2. Another source of problems may be with landlords who own several properties. The tax assessor's list must include all units in all of the landlord's properties.
 3. The tax assessor's list must contain all or most single-family rentals, including rented portions of owner-occupied homes; most assessors' lists do not.
- **Utility records** might be available. While most electric and gas utility companies are privately owned and not likely to release their records, residential lists for a particular area might be available from **water and sewer authorities** and **garbage companies**. These lists may be

divided into rented or owned properties. You must be careful that the list includes the entire FMR area, does not contain duplicate entries, and lists each rental unit separately (not just one listing for an entire project or landlord.)

- **Emergency 911** systems might maintain lists of rental properties. If so, the list must cover the entire FMR area. You may have to merge lists from several 911 providers and eliminate duplicate entries.

Sources That Must Not Be Used Alone

- Records of **apartment owners' associations or realty companies** can be useful but smaller projects and lower rent units, including rented single-family homes, are generally excluded from such lists.
- **Newspaper classified ads** can be useful, but many of the lower rent units are not advertised in this way.
- Community **bulletin boards** can be useful in getting information about lower rent units.
- Recently issued **building permits** can be useful, but such records cannot be used exclusively because units of all ages, except those built in the last 2 years, must be represented in the sample.

Sources to Avoid

- A list of **assisted rental units** is not acceptable because the sample should be of the unassisted housing stock. (Interviews of renters receiving Section 8 certificates and vouchers are acceptable, but *market* rents must be obtained rather than the actual rents that tenants pay.)
- A sample that mainly represents the rental stock in the **urban sections** of an FMR area is unacceptable. The FMR is the same throughout a county or metropolitan area (subject to local exceptions), and the sample must represent the entire area—urban and rural.

- A sample based solely on **vacant units** is unacceptable because a valid sample must include the entire housing stock.
- A sample based solely on a list of **Section 8 "program comparables"** is unacceptable. Units used for the rent-reasonableness test would typically be higher than average in areas where FMRs had previously been overstated.

You must ensure that your survey includes a good representation of single-family homes or duplexes, smaller apartment projects, and mobile homes (if they form a sizeable portion of the rental inventory), along with larger apartment complexes. Furthermore, your survey must reasonably represent rental units according to the year they were built and represent units throughout the FMR area.

If several sources are used, an essential, but time-consuming, final step is **to eliminate duplicate listings**. An efficient way to do this is to enter the addresses from all the lists into one database or spreadsheet, sort the entries by address, and eliminate any addresses that appear to be duplicates.

2.3. Multicounty Surveys and State-Minimum FMRs

Nonmetropolitan FMRs are established county-by-county, not for groups of counties. If your jurisdiction includes several counties, and you do not have the resources to survey each county, HUD may approve a multicounty survey whose results would be applied to the individual counties in your jurisdiction. It may also be to the advantage of several single-county PHAs to combine their resources on a multicounty survey. Counties must be chosen carefully to avoid having high growth counties be washed out by low growth ones, and counties should generally be contiguous. Multicounty surveys require prior HUD approval; you must contact the HUD field office economist for specific guidance before proceeding.

Adjustment for State-Minimum Bonus

In calculating FMRs from the 1990 Census data, beginning in 1996 HUD has established a minimum level of FMRs based on Census data for all of the nonmetropolitan counties in each state—FMRs for nonmetropolitan counties may not fall below these state minimum levels. Therefore, in reviewing your survey results, HUD will compare the actual Census-based FMR with the state minimum FMR before deciding precisely what increase to apply to the proposed FMR.

Thus, individual counties within a grouped survey cluster will receive different percentage increases if the state minimum adjustment had been used in computing the proposed FMRs. In certain cases the state minimum will entirely supersede the survey results.

The state minimum bonus applied in all years after 1996 can be calculated from the 1995 and 1996 FMRs and the normal update factor applied in that year to the area, as follows. (This example is for a nonmetropolitan county in HUD's Midwest Region.)

\$343 1995 FMR

\$385 1996 FMR, which includes the new state minimum bonus and the regional update

0.8% Update factor used for Midwest Region-Nonmetropolitan FMR areas in 1996 ²

$$\begin{aligned}
 \text{State Minimum Bonus} &= ((385 \div 343) - 1) - 0.8\% \\
 &= 12.2\% - 0.8\% \\
 &= 11.4\%
 \end{aligned}$$

For this area, then, the FMR would have been \$346 (343 x 1.008) without the state minimum bonus, and a survey would have to show at least an 11.4% increase over that level (or at least \$385) to overcome the effects of the state minimum bonus.

If this county were included in a grouped survey that showed a 40th percentile gross rent 6.5 percent above the 40th percentile computed from the raw Census data for all counties in the group, no change in the FMR would be warranted (because the 11.4% state minimum bonus already in effect is greater than the difference indicated by the survey.) Other counties in the same survey group may have different state minimum bonuses, and hence the final results of a grouped survey will differ from one county to another.

PHAs are, therefore, strongly cautioned to check the extent of any state minimum bonus that might be in effect for the area(s) they wish to survey. They should consult with a HUD field economist or HUD headquarters before proceeding with their surveys. HUD headquarters staff will make the necessary calculations once the data are compiled. Checking for state minimum bonuses is necessary for both grouped surveys and surveys of individual areas.

² Comparable increase factors for other HUD regions in 1996 are as follows:

HUD Region	Metro	Non-metro	HUD Region	Metro	Non-metro
New England	0.7%	1.0%	Southwest	2.1%	2.9%
New York/New Jersey	3.0	1.4	Great Plains	2.7	0.9
Mid-Atlantic	3.1	2.8	Rocky Mountains	7.1	1.9
Southeast/Caribbean	3.3	1.5	Pacific/Hawaii	2.2	2.8
Midwest	2.3	0.8	Northwest/Alaska	4.5	2.8

3. Deciding How Large a Sample to Interview

The goal of a survey is to obtain accurate responses from a sample of the "universe"—that is, the set that contains all renters in a particular FMR area. A small, carefully chosen sample will represent the universe more accurately than would a large sample selected from just one portion of the universe. The size of the required sample is only weakly related to the size of the universe—for example, a sample of 184 randomly selected respondents will produce a 6.5-percent level of precision for a universe of 1,000 rental units. For a universe of 2,000 rental units, the sample is increased to just 202 to maintain the same level of precision. *The quality of the sample and the accuracy of the responses are far more important than the actual sample size.*

3.1. All Renters or Recent Movers

There are two survey options, explained below:

A. All-renter survey:

The easiest and least expensive option is to obtain a sample of all renters. HUD will then adjust these results with the recent-mover bonus obtained from HUD's annual RDD surveys of the nonmetropolitan portions of each of 10 HUD regions, or the recent-mover bonus implied by the 1990 Census, whichever is greater.³ This method should provide acceptable results for most nonmetropolitan areas. This method may be necessary for the smallest PHAs, for whom there may be too few telephones from which to draw a sufficiently large sample of recent movers. This method requires about one-half as many phone calls as a comparably sized recent-mover sample. However, if the rents charged to recent movers and rents paid by long-term tenants are substantially different in your locality, an all-renter survey may fail to adequately describe your rental market.

B. Recent-mover survey:

Alternately, you may limit your survey to recent movers—those moving in within the past 24

³ For the nonmetropolitan portions of each HUD Region, the recent mover bonuses for 1993 and 1994 have been as follows:
 1: 0.6% 2: 2.6% 3: 5.1% 4: 7.4% 5: 3.7%
 6: 6.5% 7: 3.7% 8: 3.6% 9: 2.9% 10: 6.7%

months—in which case your survey results would be used without further adjustment. This method is recommended in areas where rents have changed rapidly, significantly, and recently, or if rent changes have been substantially different from those in the HUD region. A recent mover survey is much more expensive than a comparably-sized all-renter survey, because of the increased number of contacts required to locate and interview recent movers.

The tables below reflect HUD's sample size requirements, for both types of survey. They reflect a decision to allow the smallest PHAs to present data with a lower degree of survey accuracy than the larger PHAs, which are strongly advised to use the more expensive but more accurate RDD methodology. In some cases a PHA may have made a meticulous survey effort, including all required followup calls, but failed to produce the targeted number of responses. Before abandoning the survey, the PHA should contact HUD for further guidance; smaller than required samples may be accepted in certain situations.

The smallest PHAs that sincerely believe they must do recent mover surveys but cannot afford to obtain the sample sizes reflected below should contact the HUD field economist. Larger PHAs with relatively small assisted housing programs might also contact HUD about the sample size requirements.

In any case, HUD expects that the largest PHAs will find professionally-conducted RDDs to be advantageous in terms of their accuracy and the greater likelihood that they will be accepted by HUD.

To account for nonresponses, which are inevitable even with aggressive followups, HUD recommends that you obtain the following sample sizes to ensure that you reach the specified numbers of completed interviews.

Number of Rental Units In FMR Area	Completed Interviews	Telephone Surveys (Alternative 1)	Mail Surveys ⁴ (Alternative 2)
		Phone Numbers To Purchase	Questionnaires Initially Mailed
A. SURVEY OF ALL RENTERS			
1,000	150	1,200	375
2,000	150	1,200	375
3,000	150	1,200	375
4,000	200	1,500	500
5,000	250	1,900	NR
6,000	300	2,300	NR
7,000	350	2,700	NR
8,000	400	3,000	NR
9,000	450	3,400	NR
10,000	500	3,800	NR
B. SURVEY OF RECENT MOVERS			
1,000	150	2,500	950
2,000	150	2,500	950
3,000	150	2,500	950
4,000	150	2,500	950
5,000	175	3,000	NR
6,000	200	3,500	NR
7,000	225	3,800	NR

⁴ While these numbers may imply that mail surveys are cheaper to conduct than telephone surveys, mail surveys frequently have high sampling biases and therefore are more likely to be rejected by HUD than telephone surveys. In any case, they are **not recommended** ("NR") for all but the smallest areas.

8,000	250	4,200	NR
9,000	275	4,600	NR
10,000	300	5,000	NR

3.2. Effect of Sample Size on How Survey Results Are Analyzed

Surveying a *sample* of rental units produces somewhat different results than surveying the *universe* of rental units. This difference is called "sampling error" and is common to all surveys. Stated simply, a sample of the size outlined in the above table is expected to have at most a 6.5% margin of error—that is, there is a 95 percent probability that the survey results will differ by no more than 6.5 percent from the results of a survey encompassing the entire universe of rental units. Therefore, if your survey results differ by less than 6.5 percent from the proposed FMRs, which were basically derived from the Census, it is likely that your results are "statistically the same" as the Census figures. On the other hand, if your results differ by more than 6.5% from the proposed FMRs, then the survey results are considered "statistically different." (This discussion assumes that a valid, random sample has been drawn from the universe; a biased sample will produce biased results.)

HUD will compare the survey results to its own data. If your survey appears to have been correctly executed, HUD is likely to accept your results. HUD reserves the right, however, to decide which data to use.

3.3. Bedroom Sizes to Survey

Full-scale RDD surveys are restricted to 1 and 2 bedroom units. One of the compromises in this guide is that you are allowed to use 3 bedroom units as well, which reduces the survey's accuracy but greatly reduces the number of calls required.

One bedroom rents must be adjusted to two-bedroom equivalents, using the FMR relationships available from your HUD field office economist.

If you also use 3 bedroom units in your survey, they must also be adjusted, using a 3-to-2 bedroom adjustment factor explained below.⁵

If you will comment specifically about the FMRs of units other than those with two bedrooms, you

⁵ This is not simply the ratio of the FMRs, because 3 bedroom FMRs reflect an 8.7% bonus intended to make 3 bedroom units easier to rent under the Section 8 program. This bonus must be removed before computing the ratio. Thus, the ratio used to convert 3 bedroom survey rents to their 2 bedroom equivalent is: (FMR2BR) / (FMR3BR / 1.087). This formula simplifies to: FMR2BR * 1.087 / FMR3BR

may present data for those sizes.

4. Picking the Sample

4.1. List-Assisted Telephone Surveys

A list-assisted telephone survey uses a sample compiled by a contractor. Once a contract has been signed, most suppliers will deliver a sample within 2 to 3 days.

The contractor must divide the full sample into separate "waves" (or "replicates"), each containing 500 phone numbers. You must make at least four attempts to reach each number in Wave 1 before moving on to the numbers in Wave 2, and so on. This procedure is described below.

4.2. Mail and In-Person (Traditional) Surveys

For traditional surveys, there are several ways to select random samples after you have acquired a complete, nonduplicated list of the rental housing universe.

Numbering List

You must number each item in this list consecutively. These code numbers will be used later to pick the sample and keep track of responses.

Accounting for Nonresponse

You should include extra addresses on the assumption that about 60 percent of the sample will be nonrespondents (for mailed or personal interview samples). Thus, for a target response of 200 households, you should randomly choose about 500 units for the sample and attempt to interview them, on the assumption that you will get about a 40-percent response rate after all followups have been completed. When interviewing, you *must not drop "difficult" cases until you have tried to reach them several times*; just choosing the "easy" cases or moving on to a neighboring apartment will probably give a biased sample and destroy the validity of your survey.

Random Number Sampling

You should assign a consecutive number to each rental unit in the list and look up numbers in a list of random numbers, which may be found in most statistics textbooks or generated by any number of computer programs. For example, if you wish to compile a sample of 500 units from a universe list of 4,000 units (the example given above, including more than doubling the sample to account for nonresponses), you should choose any four columns from a list of random numbers, and select the first 500 cases in that list which are less than 4,000. For example, using one example of a random number table we decided, *in advance*, to choose the first 4 digits of column 6. Those numbers, and the units chosen for the survey, are:

Random Number	⁶ Sample?	Picked for
9164		
8919		
6480		
1637		SAMPLE-1
9178		
5349		
3101		SAMPLE-2
2092		SAMPLE-3
1810		SAMPLE-4
5953		
7993		
6944		
3349		SAMPLE-5
5226		
1392		SAMPLE-6
1630		SAMPLE-7
1988		SAMPLE-8
0414		SAMPLE-9 . . . and so forth, until you have chosen 500 sample cases.

⁶ These random numbers are contained in *C.R.C. Standard Mathematical Tables* 12th edition. Cleveland, Ohio: Chemical Rubber Publishing Company, 1959. Random number tables are contained in almost all statistical textbooks. They can also be generated by many spreadsheet programs; for example, in Lotus or Quattro, to obtain a series of random numbers between 1 and 4,000, you would use the function **@RAND*4000+1** (formatted as Fixed, 0 decimal places), duplicated on 4,000 lines.

Systematic Sampling

Systematic sampling involves picking every n'th rental unit from the list after randomly selecting the first unit. The n is called the sampling frequency and can be determined by dividing the number of units in the universe list by the number of units in the sample list, then rounding the result to the nearest whole number. For example, for a sample of 500 out of 4,000 units, you will need to choose every 8th units ($4000/500 = 8$). Then you should follow these steps: (1) choose a random number between 1 and n, which in this case is 8 (one way is to count the number of "heads" you get after flipping a coin 8 times), (2) start with that random number, and (3) choose every n'th unit, which in this case is every eighth unit. Suppose the coin had landed "heads" three times in 8 flips, you would then choose the following underlined units:

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20

and so forth until you have picked 500 units.

5. Collecting Data

5.1. List-Assisted Telephone Surveys

Questionnaire

For a list-assisted telephone survey, you should use the questionnaire in Attachment 2A, with possible modifications described in Attachment 4. (These modifications relate to shared student housing, sublet rents, structure types, and vacation homes.)

Staffing

This survey will be conducted by phone. Professional interviewers who are available locally would be useful; however, the survey is simple enough that a nonprofessional should be able to handle it, though somewhat less efficiently. We recommend hiring temporary workers for this job, although PHA staff can do this work if they are freed from other duties during the survey. One possible source of interviewers and supervisors is a local college; departments of statistics, economics, and sociology often are interested in exposing their students to real-world situations such as this.

Two or three interviewers should work simultaneously, so that all work, including call-backs, can be completed within 2 weeks. They should do nothing but work on this survey during this time; they should not be burdened by other duties.

Interviewers who can speak Spanish or other languages should be available, where applicable. One should be available whenever interviews are taking place.

Interviewers can be trained in 4 to 6 hours. Interviewers and their manager should carefully review the questionnaire and practice reading it out loud until they are comfortable with the wording. They should conduct several "mock" interviews, in which one person plays the role of a respondent under varying circumstances (See Attachment 3). All must become familiar with the "Result Codes," which are explained below.

You should note carefully the "skip and stop" pattern. For example, if the person called is not a renter, there is no point in continuing the call; just thank the respondent for his or her time and hang up.

You must not "lead" the respondent by making statements that indicate how he or she should answer. For example, if asked why you are doing the survey, you *must not* say something like "we believe HUD's Fair Market Rents aren't high enough, and that's why we're doing the survey." This statement may seriously bias the answers, because you have suggested what answers you would like to hear.

Data Collection

You should conduct the first set of calls during normal business hours. Calling during these hours will enable you to reach many who stay at home during the day, and to screen out business numbers.

The second through fourth calls *must* take place during evening and weekend hours. Failing to do so would bias the survey by underrepresenting working couples and single renters. These calls should be made on subsequent evenings unless the number is busy (if it's busy, try again in 10-20 minutes.)

In addition to the questionnaire, each interviewer should have Attachment 3 handy, as well as the table of Results Codes, which is shown below.

Using Sample Waves

The contractor will deliver the sample of telephone numbers in several waves of 500 phone numbers each. You must attempt to call the phone numbers in each wave before moving on to the next wave—that is, you must make at least four attempts to call and interview each phone number in Wave 1 before going on to Wave 2, and so forth.

The reason for interviewing in waves is to avoid gathering data from just the "easy" cases, people whose rents are probably different from the full distribution.

It is important that you make at least four attempts to reach a respondent at each phone number on your list. Only then may you give up on a telephone number.

Conducting the Interview; Result Codes

You must date each attempt and write the Result code on the bottom of each questionnaire.⁷ If eligible for a call-back, try to note the name of the person who should be interviewed. Result codes are as follows:

Result

<u>Code</u>	<u>Meaning of Code</u>	<u>Disposition of Questionnaire</u>
OK	Completed interview	Check for completeness & put in pile to analyze
LB	Language barrier	Give to another interviewer, immediately
RF	Refusal/termination	Give to supervisor to try again
NA	No answer	Try again another day
BS	Busy	Try again today
CB	"Call back some other time"	Try again another day
IN	Ineligible for survey	Keep for records
NH	Not household/business	Keep for records
NW	Nonworking/disconnected	Keep for records
OT	Other	Keep for records

When someone answers the phone, you must read the questionnaire exactly as it is written. Diverging from the wording of the questionnaire or injecting your opinions into the interview may produce inaccurate results.

Successful interviews should be reviewed each day for completeness. For example, a respondent who pays separately for heating must also have stated what fuel was used for heating. If anything is missing, it is better to phone for the missing information on the same day than to leave it for another

⁷ You may instead record these codes and dates on the telephone number lists supplied by the sample provider.

day.

See Attachment 3 for suggestions about handling difficult situations, such as those with reluctant or hostile interviewees, and Attachment 4 for some question-by-question details.

5.2. Mail and In-Person (Traditional) Surveys

Questionnaire

For this type of survey, you should use the questionnaire in Attachment 2B, possibly modified for your area, following the suggestions in Attachment 4. (These modifications relate to shared student housing, sublet rents, structure types, and vacation homes.) This questionnaire is basically identical to the telephone survey questionnaire, except that it asks whether there is a telephone in the unit. This question is intended to screen out units that might well be substandard, and to make the mail survey as comparable as possible to the telephone survey; units without telephones should not be used to compute FMRs. See Attachment 4 for some question-by-question details and suggested questionnaire modifications.

Staffing

While data may be collected through any feasible method, HUD recommends *mail-out, mail-back* as the primary one because it is least likely to result in biased results. Thus there is little need to hire and train interviewers until the final phase of the study, when phone calls may be used with residents listed in the sample who have not responded to the initial mailing and a reminder. At least one staff member should be responsible for keeping track of questionnaires mailed and returned. That person is also responsible for checking responses for completeness, following up on those that are incomplete, and coding the numbers for analysis.

Data Collection

We recommend that the primary method for data collection be by mailing the questionnaire in Attachment 2B and possibly a cover letter to the sample person. *The cover letter must not attempt to "lead" respondents by, for example, encouraging those paying high rents to respond to the survey.* For example, the cover letter must **not** state something like "We're asking your help in proving that HUD's Fair Market Rents are too low in our county." We suggest that you use (or paraphrase) the

introductory statement used in the questionnaire in Attachment 2B. The mailing should include a stamped, self-addressed return envelope or a business reply envelope. You must make at least two followup attempts to reach nonrespondents until you attain a 40-percent response rate from your original sample.⁸

Phone calls to nonrespondents—if the phone number is available—or *personal visits* are acceptable as long as the interviewers ask only what is on the questionnaire—that is, without making extraneous statements or injecting opinions that might bias the responses.

Contacting *realtors or property managers* is acceptable as long as the rents they give are the actual rents received from the unit(s) that are in the sample, not just for similar units that are vacant. Interviewing *neighbors* of the sampled households is not acceptable.

HUD suggests that you review Attachment 3 for advice on handling problems with reluctant interviewees. Attachment 4 contains suggestions about handling specific items in the questionnaire and dealing with special situations in your housing market.

Scheduling

Sample selection is likely to be time consuming. You can expect to spend at least 2 weeks assembling a list of rental properties, typing them into a spreadsheet, sorting them, eliminating duplicate entries, assigning sequence numbers, and selecting the sample.

You should send a followup mailing to nonrespondents two weeks after the initial mailing. This timing gives the initial group of respondents a chance to return their questionnaires before the second mailing is sent, thereby minimizing the number of duplicate responses. It also maintains a momentum, with the second mailing perhaps convincing nonrespondents that you are serious about the survey.

One week after the second mailing, you should begin to make phone calls or visit nonrespondents. This phase is likely to take 2 weeks and may be expensive if it involves a great deal of travel.

You should be careful not to send out duplicate mailings; you must carefully record which responses

⁸ Thus, you may not simply increase the size of the initial mailing in the hope of getting 200 usable responses in the first round. The initial responses may well not accurately represent the entire rent distribution; hence the need for at least two followups of nonrespondents, no matter how successful the initial mailing may have been.

you have received.

6. Coding the Data—All Surveys⁹

For each completed interview, you should first add all of the utility amounts to the questionnaire, and then enter the data into a machine-readable spreadsheet. Spreadsheet and data management programs are available for all types of microcomputers. We do not recommend entering the data using a word-processing program, because word-processed documents cannot easily be sorted or mathematically manipulated.

Incomplete interviews must be retained and about 150 of them forwarded to HUD along with your submission.

HUD has prepared a spreadsheet, in Lotus format, which you may use to enter your data. It contains all of the formulas you will need to enter a complete record for each of your survey respondents. It is available from your HUD field economist or via Internet. The spreadsheet is available in two forms:

FMRDATA1.WK1 Includes built-in consistency checks that warn you if some data have been entered inconsistently. For example, if you checked that the tenant pays for heating, there must be an entry for the utility used and its cost. The problem with this spreadsheet is that it is too large for some older computers to use.

FMRDATA2.WK1 Identical to the first one except that the consistency checks are omitted. If you use this spreadsheet you must verify consistency manually.

⁹ Contact your HUD Field Office Economist for help with these final phases of the study. Call the Economic and Market Analysis Division at HUD: 202-708-0577 to find your Field Office Economist's name and phone number.

- (1) Enter Area Name in cell A7
- (2) In cells D279 & F279, enter Survey Month and Year
- (3) In cells C285 -C287, enter Proposed 1, 2, and 3 Bedroom FMRs
- (4) Go to cell B18 and start entering data for each survey.
Don't try to enter anything in "Protected" or "formula" cells

(Continued)

(Continued)

This portion is present only in FMRDATA1.WK1

[illegible]

6.1. General Processing Steps

1. Verify that the interview is for an eligible unit. In particular, is it in the correct county? (This is important if you have telephone exchanges that cross county boundaries.)
2. Using Section 8 utility allowance, enter the utility dollar amounts on the questionnaire for each utility the respondent pays for separately. You must use the 1, 2, or 3 bedroom utility allowance, depending on the size of the unit. If there is no Section 8 allowance for a particular utility, you should make an estimate and describe how you made it. This is most often applicable to air conditioning, which some Section 8 utility allowance schedules omit as a separate item and do not include under the category "Other Electric Lighting, Refrigeration, Etc." You should use the methods described in the HUD utility allowance schedule instructions, or call your local electric company.

Be careful with utility allowances: many 1994 surveys had incorrect utility amounts.

3. Start up Lotus program, and retrieve either file FMRDATA1.WK1 (which contains many consistency checks but is quite large) or FMRDATA2.WK1 (no consistency checks, but small enough to be used on most computers.)
4. Enter "global" data for area: area name, survey month and year, and proposed 1, 2, and 3 bedroom FMRs.¹⁰
5. Enter data for each completed survey, and verify everything you've entered.
6. Save file.
7. Sort file by 2-bedroom equivalent gross rent [RENTG].

¹⁰ These are used by the spreadsheet to compute the 2 bedroom equivalent gross rents, using the following formula:

@IF(BEDROOMS.EQ.1, RENTGX~~factor12~~, @IF(BEDROOMS.EQ.3, RENTGX~~factor32~~, RENTGX)), where ~~factor12~~ is the 1-to-2 bedroom rent ratio based on the 1 and 2 bedroom proposed FMRs, ~~factor32~~ is the 3-to-2 bedroom ratio, which is computed similarly except for having to remove an 8.7% "bonus" included in the 3 bedroom FMRs. For example:

FMR 1-BR = \$348 FMR 2-BR = \$418 FMR 3-BR = \$511

factor12	= FMR2BR / FMR1BR	= 418 / 348	= 1.201
factor32	= FMR2BR * 1.087 / FMR3BR	= 418 * 1.087 / 511	= 0.889

8. Multiply the number of surveys completed by 0.40. Count up from the bottom of the distribution to this case number; the gross rent for this unit is the 40th percentile gross rent. For example: If you have obtained responses from 152 recent mover cases, the 40th percentile is the rent obtained for the 61st case ($152 \times .40 = 60.8$).

6.2. Specific Processing Steps, Using Spreadsheet

6.2.1 Typographical Conventions

< > Diamond-shaped brackets indicate a specific key to press. For example:

<F5> Touch the "F5" key

<Enter> Touch the "Enter" or "Return" key

underline Fill in specific amount. For example, you will be asked for the month and year your survey was conducted.

CAPITALS A variable name, corresponding to questionnaire

[BRACKET] Computed automatically by spreadsheet; don't enter anything

{BRACES} Utility amount you entered from the utility allowance, before starting spreadsheet

6.2.2 Preparing File

COPY A:FMRDATA1.WK1 C:\ Copy from the floppy disk to your C: drive ¹¹

123 Start Lotus 1-2-3 [or Quattro Pro, etc]

/Worksheet Global Default Directory Specify the directory where the file is stored. In this example, it is "C:\"

¹¹ Optionally, you may leave the file on the floppy disk. This will greatly slow down the processing speed. If you do this, you must first make a backup copy of the file and keep it on a separate disk for security purposes.

/File Retrieve FMRDATA1 <Enter> Retrieve this file ¹²

6.2.3 "Global" Data

<F5> AREANAME Go to cell "AREANAME" (usually cell A7) and enter the FMR area name (state & county)

<F5> SURVDATE <Enter> month Go to cell "SURVDATE" (cell D279) and enter month survey was conducted

→ → year Enter year of survey

<F5> FMRS <Enter> Go to cell "FMRS" (Cells C285-C287), and enter the 1, 2, and 3 bedroom Proposed FMRs. The program automatically computes the 2-bedroom conversion factors

<u>fmr1br</u> ↓	Enter 1 bedroom Proposed FMR
<u>fmr2br</u> ↓	" 2 " " "
<u>fmr3br</u> <Enter>	" 3 " " "

6.2.4 Data for Each Completed Interview

<F5> BEGIN <Enter> Go to the start of the spreadsheet (Cell B18)

Enter all data for Interview 1, on this line Enter a number or letter, and press <Enter> or <→>. All data for this interview go on the same line. Permitted codes are shown above the double underline.¹³

The spreadsheet automatically computes values for

¹² If you get a message such as "Out of Memory," your computer cannot handle such a large file. In this case, you should use FMRDATA2.WK1, which is the same except for the lack of error-checking capabilities.

¹³ In the "ID" column, telephone numbers containing a zero after the dash must begin with an apostrophe. For example, you must enter '708-0590, whereas 708-1590 can be entered without leading apostrophe.

columns titled in [square brackets], such as the total utility amount and 2 bedroom equivalent gross rent. Do not attempt to enter anything in those columns, or you will destroy the formulas.

(If using FMRDATA1.WK1, look in "ERROR" column:

If "OK" All fields have been entered correctly (or at least, they are logically consistent)

If "ERROR !!" At least one field is incomplete. To locate it, use the <→> to find one column in the "Errors" section that is not 0. The column title (which begins with an "E") indicates which one is bad. Keep checking until "ERROR" column is "OK"

(Go down 1 line) Go down 1 line, using <↓>, and enter data for 2nd interview. Repeat for all interviews.

6.2.5 Analyzing Data

/File Save <Enter> Yes Save file, replacing old version

COPY filename.WK1 B: Copy file to a separate floppy disk for safe-keeping

/Data Sort Block Using period (.) and arrows, highlight all data lines and all columns (including error check columns if you're using FMRDATA1.WK1)

Primary Key This is the key on which you will sort

Put cursor any place in column **RENTG** Sort on 2-bedroom-equivalent gross rent

Order = **A**scending In ascending order

Go

Perform sort ¹⁴

(Calculate 40th percentile case)

Multiply number of responses by .40 to get 40th percentile case (you may round up). RENTG for this case is the 40th percentile.

¹⁴ If you get a message indicating that the spreadsheet is "protected," you should turn off the cell-protection feature: /WorksheetGlobalProtectionDisable, and then sort it.

7. Checking That Responses Are Representative—All Surveys

Before accepting the results of your survey, HUD must be assured that the survey reasonably represents the housing stock of your FMR area. You are not required to conduct this analysis, but you may do so if you wish. If you want to do the analysis, you may wish to enlist the help of a local university or the Census State Data Center.

In its review HUD will check to ensure that the housing units from which you received usable responses are reasonably representative of the *entire* housing stock of your FMR area. HUD will compare your results with the best available data for your entire area. The base data will generally be the 1990 Census, except in those cases where you can present valid data showing substantial changes since 1990.

Note that the Census figures must be for the entire FMR area; in most cases, an entire county or entire MSA. Be sure to use the "renter occupied" portion of the Census table.

Much of the Census data you need are not easily available in regular Census printed reports. Alternative ways of obtaining the data include: Calling your **Census State Data Center** (call 301–763–1580 for the phone number of your center); using the STF–3C file on **CD-ROM**; or calling your **HUD field economist**.

7.1. Size of the Universe and Response Sample ¹⁵

Number of bedrooms (Renter occupied)	Number in Census	Number in Sample	
		Total	Recent movers
One-bedroom units			
Two-bedroom units			
(Others, as applicable)			

¹⁵ Source: 1990 Census, STF-3 file, Table H033. This is not available in any of the regular printed reports, but may be obtained from the HUD field economist.

Total	
-------	--

7.2. Gross Rent Distribution

This is the most critical comparison that HUD will make in judging the adequacy of your survey. If it does not adequately represent the major parts of the Census rent distribution, it will be rejected. HUD will look especially for evidence that your survey failed to represent the lower end of the rental distribution; even in highly inflationary situations some units rent for substantially below "average" levels. In most cases a poor match between the Census data and your results will be evidence of a nonrepresentative sample or some other source of bias.

You may adjust the Census rent intervals to approximate the rent inflation that you think has occurred from 1990 to when you conducted your survey. You may summarize the distribution in \$100 intervals.

Gross rents, 2-bedroom units			Census ¹⁶			
			Total		Recent Movers	
	Number	Percent	Number	Percent	Number	Percent
Under \$299						
\$300 to \$399						
\$400 to \$499						
\$500 to \$599						
\$600 to \$699						
\$700 and over						

7.3. Structure Type

¹⁶ Source: 1990 Census rent tabulations prepared by the Census Bureau for HUD; obtainable from the HUD field economist.

Structure type (Renter occupied)	Census ¹⁷		Sample (all units)	
	Number	Percent	Number	Percent
Single family detached ¹⁸				
Two or more units				
Mobile home, trailer, other				

7.4. Year Built

Year built (Renter occupied)	Census ¹⁹		Sample	
	Number	Percent	Number	Percent
April 1990 or later	---	---		
1980 to March 1990				
1960 to 1979				
1959 or earlier				

¹⁷ Census source: 1990 Census Series CH-1, Table 49, or STF-3C Table H22; ask for "TENURE BY UNITS IN STRUCTURE" for your FMR area.

¹⁸ Including rented portions of single-family homes, such as basements.

¹⁹ Source: STF-3 file, Table H27, for renter-occupied units. This is not available in the printed census reports. Ask for "TENURE BY YEAR STRUCTURE BUILT."

8. Preparing Submission for HUD

8.1. Required Items

Your submission *must* include all of the following:

- The rental unit size (number of bedrooms) for which you are commenting.
- How you obtained the universe list, including how you eliminated duplicate entries if you used the traditional approach.
- How you selected the sample.
- How you collected the data, including what you did to minimize nonresponse.
- A copy of your questionnaire and any cover letter or publicity materials you used.
- Tables comparing the survey respondents to the entire universe (these may be prepared with the help of your HUD field economist):
 - Sample and universe sizes
 - Gross rent distribution
 - Structure type
 - Year built
- A computerized or written list of individual survey results. We prefer that you provide a computerized spreadsheet, in both printed and floppy disk form.
- The 40th-percentile gross rent from your survey.
- A copy of the HUD-approved Section 8 utility allowance schedule you used. If you modified the utility allowance in any way (for example, by adding an air conditioning allowance), you must state how you obtained the amount.
- Copies of all "successful" survey sheets, plus about 150 sheets for which you were not able to obtain responses.

- Copies of the telephone list sheets, if you entered result codes on them rather than on the questionnaires.

8.2. Optional Items

You may also include any of the following, which will be considered but are not sufficient in themselves:

- Your reasons for commenting.
- Descriptions of your housing market.
- Special factors that HUD should consider, such as the effects of recent natural disasters.
- The number of Section 8 units you have under management, preferably by bedroom size.

Attachment 1: Telephone Sample Sources and Suggested Contract Language

Scientifically chosen telephone samples are available from several sources. The following alphabetically lists the sources known to HUD, as well as a set of technical specifications that HUD feels the sample should meet. Other specifications are possible, but all divergence from these specifications may make the sample less efficient (because you will reach a smaller proportion of eligible renters), or may bias the sample. In general, the cheaper samples are less likely to reach eligible households than the more expensive ones: You may find that the extra interviewing costs more than make up for the extra up-front costs of better-screened samples.²⁰ In addition your interviewers will be more likely to become discouraged by the number of calls they must make before reaching an eligible respondent.

The attached contract language contains some highly technical terms; any supplier of telephone samples who does not understand these terms should be discouraged from bidding on your project.

Sample Sources²¹

Maritz Marketing Research
1297 North Highway Drive, Fenton, MO 63026-1909
314-827-3728 FAX: 314-827-4315 Contact: Michelle Frisella

Marketing Systems Group, Inc.
565 Virginia Drive, Fort Washington, PA 19034
215-653-7100 FAX: 215-653-7114 Contact: Jeff Palish

Nielsen Media Research
375 Patricia Avenue, Dunedin, FL 34698-8190
813-738-3061 FAX: 813-738-3272 Contact: Mike Pardee

Scientific Telephone Samples
6 Hutton Centre Drive, Suite 1245, Santa Ana, CA 92707-5707
714-241-7900 FAX: 714-241-7910 Contact: Ron Clark

Survey Sampling Inc.
One Post Road, Fairfield, CT 06430
203-255-4200 FAX: 203-254-0372 Contact: Donna Stevens or Linda Christiansen

²⁰ However, not all phone systems have the required equipment for automated screening for nonworking status to work. This situation is especially common in rural areas. For this reason, a telephone sample provider that proposes to use automated screening must first ascertain whether this method will be effective before using and charging you for it.

²¹ HUD does not guarantee the completeness or accuracy of this list, nor the quality of the services provided by these firms. They are listed alphabetically.

Contract to Supply List of Telephone Numbers

The _____ wishes to conduct a telephone survey of rents in the area. For this we need a scientifically generated random list of telephone numbers, drawn according to the following specifications. Please advise us of your charges to draw and deliver the sample to us. If you must diverge from any of these specifications, you must tell us in advance and prepare a written justification for us to forward to the Department of Housing and Urban Development, which will be judging the validity of our survey.

We look forward to your reply. Our phone number is _____. If you have questions, you should contact _____.

Universe/Coverage

The sample must include all exchanges currently in use within the following county: _____. Exchanges that are more than 25 percent in this county must be included in the sample; you must identify exchanges that are not entirely contained in the target county.

Density

All telephone exchanges with 3 or more listed numbers per 100-block must be eligible for the sample.

Recency

The data base from which the sample is drawn must have been updated within 6 months of its delivery to us.

Sampling method

The sample must be drawn in such a way as to assure equal probability of selection ("epsem"). PPS or systematic samples will not be accepted, unless cleared in advance by HUD.

Sample Waves

The sample must be drawn in waves or replicates of 500 phone numbers each, without replacement; the same number must not appear in more than 1 replicate.

Post-sample screen-1

All sampled numbers known to be in business or commercial use must be purged. This may be done by referring to published directories.

You must state whether phone numbers that are in both residential and commercial directories have been retained in your sample.

Post-sample screen-2

Eliminate all sampled numbers known to be nonworking. This is to be accomplished through an automated, nonintrusive method, without the sampled telephones ringing except in unusual circumstances. You must state whether your sample has been screened in this way.

Before doing and charging us for this screening you should advise us whether the telephone equipment in this area uses the "tri-tone intercept" necessary for this automated method to work.

Sample size

A sample of _____ telephone numbers is to be drawn, in replicates of 500, followed by post-sample screens. We understand that fewer telephone numbers than the original sample size will be delivered to us, because of the post-sample screens.

Written description

You must provide a written description of how the sample was drawn and screened. This will be forwarded to HUD along with the results of our survey.

Medium

The sample is to be delivered to us in a printed form and as an ASCII file on a 360k 5-1/4" floppy diskette. Each record is to include:

Replicate number

Area code and phone number

State and county FIPS codes

Delivery Date

The sample is to be delivered to us by Close of Business on _____

Wave: _____ Phone number (_____) _____ - _____

Hello, my name is _____. I'm calling on behalf of _____[PHA]_____. We're doing a very brief survey of housing costs in our area, and I'd like to ask you some questions. First:

- Which of the following best describes when interviewing certain people in our SF area single family dwelling detached from an apartment with 2 units or more? on a mobile home or house thanks for your time
- 01 or something else? Specify: _____
- Where is U.S. units County next [full] question.

<u>Attempt</u>	<u>Date</u>	<u>Time</u>	<u>Result Code</u>	<u>Notes; Name of Respondent if available</u>	OK		
1	___/___/___	__:__	___	_____	LB	RF	
2	___/___/___	__:__	___	_____	NA	BS	CB
3	___/___/___	__:__	___	_____	IN	NH	NW
4	___/___/___	:__	___	_____			

Attachment 2B: Mail or In-Person FMR Survey

ID _____

We're conducting a survey of rents in our area, and need the assistance of a carefully selected group of people who are living in 1, 2 and 3 bedroom rental units. Please fill out this questionnaire and mail it back to us in the enclosed postage-paid envelope. Your response represents many other renters in our area - we need your cooperation. **Your answers will be kept strictly confidential.** If you have questions about this survey, please contact us. Thank you very much for your cooperation.

Down-arrow ↓ = continue to the next question
 → **STOP** = you are not eligible for the survey; please return the questionnaire to us anyway
 → **SKIP** = Skip to next (full) question

1. Is this a residence for one family, such as an apartment, house, or mobile home? Yes ___ ↓ No ___ → **STOP**
2. Are you renting this property, or do you own it? Rent ___ ↓ Own ___ → **STOP**
3. How many bedrooms are in this unit? 1 2 3 Other ___ → **STOP**
4. Is this public housing? No ___ ↓ Yes ___ → **STOP**
5. Is your unit subsidized by HUD, the local government, or a nonprofit agency? No ___ ↓ Yes ___ ↓
 [We can accept this survey ONLY if you know the full "market" rent]
6. Is it located on 10 or more acres of land? No ___ ↓ Yes ___ → **STOP**
- 7a. When was this unit built? April 19 90-or later ↓ ; 1980-90; 1960-79; 1959 or earlier
- 7b. Was it built in the last 2 years? No ___ Yes ___ → **STOP**
8. Is your unit owned by a relative? No ___ Yes ___ → **STOP**
9. When did you move into this unit? Month ___ / Year ___
10. How much is the total monthly rent for this unit? Do not include parking or telephone costs: \$ _____.00
11. Do you pay separately for utilities such as heat, air conditioning, lights, water, cooking fuel or trash collection?
 Yes ___ No ___ → Do you pay
 any utility bills?
 [If No, GO TO Q. 19]
- 12a. Do you pay separately for heating? Yes ___ ↓ No ___ [SKIP to Q. 12a]
- 12b. What type of fuel do you use for heating?
E Electricity G Natural gas B Bottled gas F Fuel oil O Other _____ DK/Ref
- 13a. Do you have and pay separately for air conditioning? Yes ___ ↓ No ___ [SKIP to Q. 13a]
- 13b. What type of fuel do you use for air conditioning?
E Electricity G Natural gas B Bottled gas O Other _____ DK/Ref
- 14a. Do you pay separately for cooking fuel? Yes ___ ↓ No ___ [SKIP to Q. 14a]
- 14b. What type of fuel do you use for cooking?
E Electricity G Natural gas B Bottled gas O Other _____ DK/Ref
- 15a. Do you pay separately for hot water? Yes ___ ↓ No ___ [SKIP to Q15]
- 15b. What type of fuel do you use for hot water?
E Electricity G Natural gas B Bottled gas F Fuel oil O Other _____ DK/Ref
16. Do you pay separately for lighting? Yes ___ No ___
17. Do you pay separately for water or sewage? Water Sewer Both No ___
18. Do you pay separately for trash collection? Yes ___ No ___
19. Which of the following best describes where you live? Is it:
 SF a single family dwelling, detached from any other house?
 AP an apartment with 2 units or more?
 MH a mobile home or house trailer?
 OT or something else? Specify: _____
21. Is this your usual residence, where you live most of the year? Yes ___ No ___
22. Are you subletting this property from someone else? Yes ___ No ___
23. Do you have a telephone in your unit? Yes ___ No ___

Continued on next page

In case we need to contact you, would you please fill in your name, phone number, and a convenient time or day to call:

Your name: _____

Street: _____

City: _____ ZIP code: _____

Phone number: (_____) _____ - _____

Best time or day of week to call: _____

Don't hesitate to phone the study director if you have any questions or difficulty answering this survey.

Please return this survey to:

[name of study director]

[PHA or survey organization]

[phone number of study director]

Thank you very much!

Attachment 3: Suggestions for Obtaining Cooperation

It is important to the validity of the survey results and the usefulness of the study that you screen as close to 100 percent of the households in the sample as possible, identify potential eligible households to contact, and interview a high percentage of them.

It is also important that you not "lead" the respondent by making statements that indicate how he or she should answer. For example, when asked why you are doing the survey, you *must not say* something like "we believe HUD's Fair Market Rents aren't high enough . . ." This statement may seriously bias the answers and possibly invalidate the survey.

Some suggestions for conducting a survey and dealing with various problems follow. These suggestions are aimed primarily at telephone surveys; however, you may have to deal with similar problems when conducting a mail survey. The following are general suggestions for conducting a survey:

- *Read the introduction verbatim* and be certain to pronounce the words clearly. Practice each introduction until your presentation is confident and sincere.
- *Don't rush or pause.* Rushing through an introduction gives the impression that you lack confidence and may lead the listener to misunderstand what you have said.

However:

- *Do not pause before asking the first question following the introduction.* A pause will give the impression that you are waiting for approval or disapproval, or for questions from the respondent.
- *If faced with refusal, try asking immediately about rental status* (Question 2): "Would you please just answer one question: Are you renting your property or do you own it?" If you can obtain an answer to this question, you will have screened out a large number of people whom you don't need to follow up.

Dealing With Specific Questions

- *"I need more information about the study before I'll answer any questions."*
You might respond by saying: "The study is being conducted by _____ to obtain information on the cost of rental housing in our area. All information given will be kept absolutely confidential and your participation is voluntary. Why don't we start the interview and you'll see what the questions are like." NOW ASK THE FIRST QUESTION.
- *"How did you get my unlisted number?"*
You might respond with: "All numbers were chosen randomly from among possible numbers in your telephone exchange. We did not know it was your number."
- *"How do I know the survey is legitimate?"*
You might repeat appropriate parts of the introduction. If necessary, explain that the survey is an important effort by the _____ to learn more about the cost of rental housing in their area. As a last resort, say that the Project Director may be called to verify the legitimacy of the survey and obtain additional information. Provide a telephone number to the respondent.
- *"Who's in charge of this survey?"*
You might respond with: "The survey is sponsored by _____. The Project Director is _____."
- *"Who is your supervisor?"*
You should give the name of your immediate supervisor without hesitation. Call your supervisor to the phone if the respondent asks to speak to him or her.
- *"Who else have you talked to in my area?"*
You might say, "I only have telephone numbers so I don't know who else we may have contacted."
- *"How do I know that you are really an interviewer for this survey?"*
You should tell the respondent that your position can be verified by calling the Project Director and provide the respondent with a telephone number.
- *"What's this survey about?"*
You might answer, "We are interviewing people at random to help the [PHA] learn more about the costs of rental housing in our area."
- *"I don't want to buy anything!"*
You might say, "I'm not trying to sell anything. This is an important survey sponsored by _____."

- *"Why interview me?"*
You might say, "Scientific procedures were used to select a sample of [telephone numbers/households] in our community. Your [number/household] was chosen randomly and represents many other [numbers/households]. It's important that you help with the survey because we can't replace you with someone else." [Use "number" for telephone surveys, "household" for traditional, mailed surveys.]
- *"I'm too busy now."*
You might respond with: "Then let's make an appointment for another time. We can call tomorrow morning, afternoon, or evening."
- *"Call me back next week."*
Such statements are usually a "put-off" tactic and will be continued when you call back. Try to retain control of the situation by setting an appointment. After setting an appointment, you might want to say something like "Okay. I've made an appointment for you at 8:00 next Tuesday evening. I look forward to talking with you then." Then make sure you or someone else actually makes the call.
- *"I just don't have time for your survey."*
You might say, "I'll move through the interview as quickly as I can to save you time. Let me start and you tell me if I'm going too fast." Immediately ask the first question and continue at a brisk pace. [The interview should take no more than 4 or 5 minutes, even if you've reached an eligible household, far less if it's not eligible.]
- *"I'm not going to answer a lot of questions over the phone!"*
You might reply with: "Most people find the questions interesting. Let me start and you can see what they are like."
- *"I think this whole business is stupid. The government has better things to do with tax dollars"*
Occasionally an argumentative respondent is encountered. In spite of their response, they tend to be people who really are interested in the study but want to tell what they feel before they consent to be interviewed. Bear with them and hear them out! As long as they keep talking, they have not refused. Do not argue; instead, make short, neutral comments to let them know you are listening. When they have finished, say: "Your opinions are very interesting, and your answers will be important for the survey. Let's start now." THEN ASK THE FIRST QUESTION.

When answering questions or overcoming objections, respond positively to concerns that they voice and do not argue with respondents or alienate them. Listen to their questions carefully and attempt to answer them briefly. Do not provide more detail than is required because additional details might

suggest more questions or raise new concerns. Also do not hesitate to tell the interviewee that you cannot answer a particular question; promise that you will get an answer to that question and arrange to call back with the information.

Of course, harassing or unduly pressuring a respondent is improper. However, you should realize that the participation of all households listed in the sample is important to the study and refusals must not be accepted without reasonable attempts to convince the nonrespondents to participate. General suggestions that supplement the more specific examples already provided for dealing with potential nonrespondents include:

- Never take a comment or action of a respondent personally; he or she does not know you; the respondent is reacting negatively for reasons beyond your control.
- Many factors may result in a refusal at the time of your initial contact that may not be a problem at another time (e.g., the person may have been in the shower, just awakened from a nap, just leaving the house, not feeling well, arguing with another person, or may have just received a call from an aggressive sales person). A call at another time may find the person to be more receptive.
- Attempt to start an interview with a reluctant person by moving into the first question as soon as possible.
- Try to keep a reluctant person talking by making *brief, positive, neutral* statements in response to his or her comments.
- When contacting someone who has refused to be interviewed, you should never directly refer to the previous refusal, but start with something like "When we spoke the other day you were too busy to help us."

Attachment 4:

Question-by-Question Instructions; Optional Questionnaire Modifications

"STOP"

If a question is answered in such a way that the word "STOP" is appropriate, there is no need to continue with the interview. Simply thank the respondent with the wording suggested in the box at the bottom, and hang up.

Introduction

If you meet strong resistance to answering any questions, try to get the unit's rental status: "Please just answer one question--are you renting your home?" If you can get this answered you will be able to screen out many non-eligible numbers.

Q.1 (single family/group quarters/business)

Group quarters (dormitory, hospital room, convalescent home, group home with meals included in the rent, barracks, mobile telephones) are excluded from the survey.

A home that is also used as a business is eligible for the survey.

Shared student housing is acceptable if (1) you obtain the total rent paid for the unit rather than what the respondent pays, and (2) the unit is not currently being sublet. In areas with many such housing units, you might want to move the optional Question 22 (about subletting) toward the beginning of the questionnaire.

Q. 2 (own/rent)

"Own" means owning or buying the property; it does not mean "owning outright."

Q. 3 (bedrooms)

This is the number of rooms in the rental unit used primarily as bedrooms or that could be used as bedrooms. One useful probe is: "How many bedrooms would your residence be advertised as having if it were for rent? Please include rooms that are meant to be bedrooms even though they are not used as bedrooms now, such as bedrooms converted to dens,

storage areas, and so forth."

In a shared-housing situation, include all bedrooms in the unit, not just those used by the respondent.

Q. 5 (housing subsidy)

We are interested in the rents paid by tenants receiving some form of rental subsidy, provided they know the full market (i.e., unsubsidized) rent. This may be particularly difficult for FmHA-subsidized units. You will have to probe carefully, and give up on respondents who really can't estimate what the rent would be without the subsidy.

Q. 8 (owned by relative)

Units owned by relatives should not be surveyed because tenants often do not pay the full market rent.

Q. 10 (monthly rent)

In the case of shared housing be sure to get the rent for the entire rental unit, not just what each tenant pays separately. If the unit is sublet (Question 22), be careful to get the rent paid by the primary renter, not the subletters.

In the case of subsidized housing, be sure to get the total rent, not just what the tenant pays.

Q. 13b (air conditioning)

If a substantial proportion of responses report having air conditioning, but the Section 8 utility schedule does not contain an allowance for it, you should estimate one. Most local electric utility companies should be able to give you some approximate figure by type and size of unit. Before creating your own air conditioning estimate you must make sure that the schedule does not already include air conditioning as part of the cost of electricity included in the category "Other Electric Lighting, Refrigeration, Etc." You may also use the methods prescribed for updating Section 8 utility allowances. You must tell us what allowance you used, and how you obtained it.

Q. 19 (structure type)

Certain Section 8 utility allowances use different categories than what is in our suggested questionnaire. If that is the case, you should modify this question accordingly.

There is no nationwide definition of "townhouse," "rowhouse," and "duplex." We therefore simply ask whether the unit is "single family detached," and treat all types of "attached" units as "apartments."

Q. 20 (location; phone survey only)

Telephone exchanges can cross county boundaries. This question verifies that the unit is in the county being surveyed.

Q. 21 (usual residence; optional question)

Vacation homes and other forms of temporary housing should be screened out of the survey, where applicable. If your area has a large numbers of such units, you should move this question closer to the beginning of the questionnaire.

If the respondent is paying rent by the week rather than by the month, you should probe for whether this is a vacation home.

Q. 22 (subletting; optional question)

If you encounter a sublet situation you must be very careful to obtain the rent that the primary tenant pays. If you cannot do so, you should not use the unit.

Q. 23 (phone in unit; mail survey only)

Because many units without their own telephone are not likely to meet HUD Housing Quality Standards, we include this question in the mail survey to approximate the sample that we would get from a telephone survey. The telephone must be in the unit, not outside or down the hall. Units without telephones are excluded from the FMR computation.

Attachment 5: Changes From Previous Versions of This Guide

This section is intended for those who have read any of the previous versions of this Guide. The guide has been modified as a result of the first year's experience with the simplified survey methodology, and comments received from PHAs and other interested organizations. Substantive changes contained in this version include the following:

General Requirements

Required responses: In cases where our methodology results in fewer than the expected number of respondents, the PHA should contact us for a possible waiver of the required sample size, rather than giving up on the survey.

Multicounty surveys: We spell out in greater detail the criteria for selecting counties for grouped surveys, as well as the reductions to account for instances where the FMR has been increased to the state minimum.

State-minimum bonus: All survey results are subject to adjustment for any state minimum bonus that might be in effect.

Vacant unit rents: When contacting realtors or property managers, we need the rents actually paid for specific units, not what would be paid if they were being rented to new tenants.

Plus-1 sample: Where a professionally-drawn telephone sample is not feasible, we suggest a possible alternative, which must be discussed with HUD Headquarters before proceeding.

Utility costs: We emphasize how important it is to enter the correct utility amounts; many errors were made in the first round of surveys. Air conditioning costs may have to be estimated for PHAs whose utility allowances do not include air conditioning. Utility amounts should be written on the questionnaires before entering data into the spreadsheet. The utility amounts should be for 1, 2, or 3 bedroom units, as appropriate.

Questionnaire

Cover letter: We have strengthened our warning about "leading" potential respondents.

Question 1: The wording has been changed to better screen out group quarters.

Question 8 (new): A rental unit owned by a relative is not eligible for the survey.

Question 10: We emphasize the need to get the total, usual rent of the unit. This is difficult in sublet units or shared housing.

Question 13: PHAs whose Section 8 rental allowance schedules do not include air conditioning should estimate how much air conditioning would cost, and add it to the unit's utility expenditures.

Question 19: The PHA should adjust the unit types according to their classification in the PHA's Section 8 utility allowance schedule.

Question 21 (new): Seasonal or vacation rentals are not eligible for the survey.

Question order: Areas where seasonal or sublet units are common should consider moving related questions to the front of the questionnaire, for maximum efficiency in screening out ineligible.

Coding and Analysis

Spreadsheet: The utility amounts (for 1, 2, or 3 bedroom units, as appropriate) are added to contract rent before being converted to 2-bedroom equivalent.

Percentile computation: This version refers to the 40th percentile rather than the 45th.

Telephone Sampling

Sample recency: The telephone sample must have been updated within the past 6 months, not 3 months.

Cross-county exchanges: Telephone exchanges that are 25 percent (not 50) within the county of interest must be included.

Post-sample screening: Post-sample machine screening should be done only in areas where the telephone equipment permits. This assures PHAs that they are not paying for a procedure that wouldn't work in their area.

Further Comments

We invite further comments from PHAs and others. Please direct them to:

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